

Message Text

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ORIGIN AF-08

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /096 R

DRAFTED BY AF/E:PGSMITH:JJ
APPROVED BY AF:DBBOLEN
AF/E:RSPOST

-----150923Z 053438 /15

R 150242Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY TANANARIVE

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E.O. 11652: N/A

TAGS: EINV, ENRG, PGOV, MA, US

SUBJECT: OIL COMPANY NATIONALIZATIONS: CALTEX VISIT TO
DEPARTMENT

1. H. E. LEWIS, VP OF CALTEX, VISITED DEPUTY ASST. SECY.
BOLEN ON JANUARY 13 TO EXPLAIN CALTEX'S POSITION ON
MADAGASCAR NATIONALIZATION AND FINE ISSUES, AND TO SEEK
USG SUPPORT.

2. LEWIS SAID THAT THE FIRM IS PLANNING TO SEND REPRESENTATIVES TO TANANARIVE IN 1-2 MONTHS TO MEET WITH
MINISTERS OF FINANCE AND ECONOMY, TO DISCUSS WHAT CALTEX
CONSIDERS TO BE SEPARATE ISSUES OF ALLEGED EXCHANGE CONTROL
VIOLATION AND NATIONALIZATION. IN MEANTIME, THE FIRM'S
LAWYERS IN PARIS ARE PREPARING AN OPINION ON LEGAL QUESTIONS INVOLVED. HE SAID THAT CALTEX IS UNWILLING TO
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NEGOTIATE ON THE AMOUNT OF THE FINE, BUT HOPES RATHER TO
ESTABLISH ITS INNOCENCE AND THEN PROCEED TO NEGOTIATE
COMPENSATION FOR ITS ASSETS.

3. AMBASSADOR BOLEN TOLD LEWIS THAT USG HAS MADE CLEAR TO
GDRM ITS SUPPORT FOR PROMPT, ADEQUATE AND EFFECTIVE COMPEN-
SATION FOR US OIL COMPANIES. HE THEN REVIEWED COUNTER-

MEASURES WHICH THE USG IS REQUIRED TO TAKE IN THE ABSENCE

OF PROGRESS IN THIS DIRECTION IN ANY NATIONALIZATION CASE.
IT WOULD BE BEST, HE SAID, FOR CALTEX TO MEET WITH GDRM
AS ESSO HAD DONE, AND TO BEGIN THE NEGOTIATING PROCESS.
HE OFFERED EMBASSY ASSISTANCE IN ARRANGING SUCH APPOINT-
MENTS. IN RESPONSE TO LEWIS'S QUESTION, BOLEN SAID THAT
THERE WERE AT LEAST SOME SIGNS OF GDRM INTEREST IN IM-
PROVING RELATIONS, WHICH MAY BE TRANSLATED INTO CONCRETE
PROGRESS ON THE ISSUES BETWEEN US.

4. LEWIS PROMISED TO BE IN TOUCH WITH DEPARTMENT FOR
ASSISTANCE WITH APPOINTMENTS WHEN PLANS FIRM UP.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, COMPENSATION, PETROLEUM INDUSTRY, PLANNING MEETINGS, NEGOTIATIONS, FOREIGN EXCHANGE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE009878
Document Source: CORE
Document Unique ID: 00
Drafter: PGSMITH:JJ
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770016-0145
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770148/aaaabpog.tel
Line Count: 76
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a2e2f2d8-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3587059
Secure: OPEN
Status: NATIVE
Subject: OIL COMPANY NATIONALIZATIONS: CALTEX VISIT TO DEPARTMENT
TAGS: EINV, ENRG, PGOV, MA, US, CALTEX
To: TANANARIVE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a2e2f2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009